



Mr. Thane Newman  
630 East Hopkins  
San Marcos, Texas 78666

November 1, 2021

Re: COSM janitorial services proposal price increase factors

Dear Thane,

The new pricing represents an increase of which several factors contributed. The price I have arrived at is \$995,741.80 a variance and increase of about \$323k from our current price.

Factors (3 main factors listed) that drove changes include:

- Wages: \$15.00 per hour was used as a base wage rate for the janitorial positions in this new pricing. The economical challenge as discussed in past meetings with COSM customers revolves around the competitiveness in wages in San Marcos due to the exponential growth in business, to include Amazon and local fast food restaurants. Not to exclude the Corona Virus impact; to get people back to work to meet staffing needs. In review of payroll records, we are currently paying our staff \$12.00 per hour. The rationale for the \$15.00 rate is retention. The turnover we experience is typically due to the worker finding a better paying job. Turnover is a cost driver and the constant change in staff leads to inconsistencies in work output further impacting quality.
- Addition of Facilities: the Library increased square footage from 27,000 sq. ft. to 55,000 sq. ft. in June of 2021. As well as the addition of the new Public Services Complex increasing not only labor, but the additional cleaning space of 55,100 sq. ft. which is just now being added to the contract. The additional Library space increased pricing by approx. \$94k / Public Services Complex increased pricing by approx. \$184K
- Vehicle operations: This year we've spent on average \$1,200 per month on mileage and vehicle expense. Annualized this is over \$14,000. A cost savings initiative was factored using a lease option reducing this expense by almost 50%. Transportation of employees from building to building, movement of equipment and quality control inspections supports the need for a vehicle dedicated to this contract.

Respectfully,

Pam Collier  
Director, Commercial Services  
Goodwill Industries of Central Texas

Cc: Abby Monk, TIBH